

January 09, 2007

Maine Milk Commission Special Meeting Minutes  
Agriculture Trade Show  
Augusta Civic Center

**Commission Present:** Chair, Michael Wiers, Colon Durrell, Katherine O. Musgrave and Shelley Doak.

**Commission Absent:** John Joseph, Jr.

**Department Officials:**

**Staff Present:** Stanley Millay, Executive Director, and Carol Gauthier clerical assistant

**Legal Counsel:** Lucinda White, Assistant Attorney General

**Intervenors Present:** John Blake, H.P. Hood, Inc., Tom Brigham, Oakhurst Dairy and John Economy, Garelick Farms of Maine.

Meeting called to order at 10:30 A.M. by chair, Michael Wiers.

Stan Millay presented the proposed cooperative agreement with the University of Maine to do a retail milk price study. Lisa Bragg from the University was present to answer any questions.

Shelley Doak made a motion to accept the agreement and instruct staff to proceed with it. Colon Durrell seconded. Motion passed 4-0.

Mr. Wiers welcomed visitors and guests. This meeting was for the purpose of up-dating the Commission and others on the state of the dairy industry in Maine and the U.S.

Guest speakers included: Erik Rasmussen the Northeast Market Administrator Federal Milk Order No. 1, Leon Graves representing Dairy Marketing Services (DMS), Robert Wellington from Agri-Mark Cooperative and Lisa Bragg from the University of Maine.

Mr. Rasmussen gave an over-view of issues in the Northeast that may impact dairy producers and processors. He mentioned open hearings on Agri-Mark's petition to lower the make allowance on Class II and III products. He said he could not provide specific details because it was still in the hearing process. He referred questions on that issue to Mr. Wellington.

Mr. Graves reported that milk production in 2007 in the Northeast would be down from 2006. He thought supply and demand in 2007 would be closer. Mr. Graves went on to say the Cooperatives Working Together (CWT) program would continue in 2007. He reported that the demand for rBST free milk has grown during the past year and that many Class I plants in Northeast are going "rBST free", making it difficult for producers who use the product in their herds to market their milk. He explained that this demand for rBST free milk has enabled producers to leverage a premium out of the marketplace for such milk. He also reported that the superfund issue where dairy farms could be included is a big problem that might negatively affect many producers. He said other things such as animal cloning and genetic engineering were sure to be hot topics in the ensuing year.

Mr. Wellington provided the Commission with an update of Agri-Mark's petition to lower the make allowance on Class II and III products. He said that the make allowance is a fixed manufacturing cost based on 1998-99 data and needs to be adjusted to current date levels.

He spoke about premiums and milk supply in the northeast and explained that current trends showed increased production in the West while production in the rest of the country is slowing down.

Mr. Wiers thanked the speakers and adjourned the meeting at 11:50 A.M.

Stanley Millay, Executive Director, Maine Milk Commission.